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BUREAU OF CONSUMER FINANCIAL PROTECTION

Notice of Availability of Revised Consumer Information Publication

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice of availability.

SUMMARY: The Bureau of Consumer Financial Protection (Bureau) announces the availability of an updated consumer publication, the home buying information booklet, also known as the special information booklet or the settlement cost booklet (Booklet), required under the Real Estate Settlement Procedures Act (RESPA), Regulation X, and Regulation Z. This version of the Booklet incorporates statutory amendments and the Loan Estimate and Closing Disclosure from the Bureau's final rule, Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z) (Integrated Disclosures Final Rule). The title of this publication is "*Your Home Loan Toolkit: A Step-by-Step Guide*."

ADDRESSES: The updated consumer publication is available for download on the Bureau's website at www.consumerfinance.gov/learnmore and can also be found in the Catalog of U.S. Government Publications (<http://catalog.gpo.gov>), maintained by Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

FOR FURTHER INFORMATION CONTACT: Julie Vore, Originations Analyst, Office of Mortgage Markets; David Friend, Counsel, Office of Regulations, CFPB_reginquiries@cfpb.gov or (202) 435-7700.

SUPPLEMENTARY INFORMATION:

The Bureau is hereby publishing this notice of availability to inform the public of the existence of an updated version of the Home Buying Information Booklet.

Background on the Booklet

In its enactment in 1974, section 5 of RESPA required the provision of “special information booklets” to help persons borrowing money to finance the purchase of residential real estate to understand better the nature and costs of real estate settlement services. Pub. L. 93-553. Since 1976, the Department of Housing and Urban Development (HUD) implemented the requirement through publication of the Booklet titled “*Shopping for Your Home Loan: Settlement Cost Booklet.*”

Section 1450 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd- Frank Act), Pub. L. 111-203, amended section 5 of RESPA by, among other things, transferring responsibility for the Booklet from HUD to the Bureau. 12 U.S.C. 2604, as amended by the Dodd-Frank Act, requires the Director of the Bureau to prepare, at least once every five years, “a booklet to help consumers applying for federally related mortgage loans to understand the nature and costs of real estate settlement services.” 12 U.S.C. 2604(a). Section 1450 of the Dodd-Frank Act also amended 12 U.S.C. 2604 by adding new content requirements, including information on homeownership counseling services, an explanation of a consumer’s responsibilities, liabilities and obligations in a mortgage transaction, and a list of questions a consumer obtaining a federally related mortgage loan should ask regarding the loan, including whether the consumer will have the ability to repay the loan, whether the consumer sufficiently shopped for the loan, whether the loan terms include prepayment penalties or balloon payments, and whether

the loan will benefit the borrower. Other statutes, discussed below, have also amended 12 U.S.C. 2604 to include additional information on flood insurance.

In November 2013, the Bureau issued a final rule that amended section 1024.5 to provide creditors with an exemption from certain RESPA requirements, including the requirements of section 1024.6, for loans subject to the TILA-RESPA integrated disclosure requirements. The rule also added section 1026.19(g), which is substantially similar to the requirements of 1024.6, but modified to conform to the usage associated with TILA.

To reflect the transfer of the Booklet to the Bureau and ensure consistency with the Bureau's rulemakings regulating practices in mortgage origination and servicing that took effect in January 2014, the CFPB made technical and conforming changes to the Booklet and made the revised Booklet available in January 2014. 79 FR 1836 (Jan. 10, 2014).

Contents of the Updated Version of the Booklet

The Bureau is updating the Booklet to incorporate: (1) statutory amendments made to 12 U.S.C. 2604 by the Dodd-Frank Act, the Moving Ahead for Progress in 21st Century Act, Pub. L. 112-141, and the Homeowner Flood Insurance Affordability Act of 2014, Pub. L. 113-89; (2) the Bureau's Integrated Disclosures final rule effective on August 1, 2015; and (3) additional Bureau contact information, online tools, and information on how to submit complaints. Every effort was made to incorporate all statutory amendments; however, a Dodd-Frank Act amendment to 12 U.S.C. 2604 to provide notice of a loan fraud brochure and the web address and telephone number for obtaining the brochure could not be

incorporated, as the brochure is no longer supported by the issuing agency. Instead, the Bureau has provided a link in the Booklet to a HUD Web page on loan fraud.

The Bureau views this publication as part of the Bureau's broader mission to educate consumers about consumer financial products. The Booklet has also been revised to, among other things, improve the readability and usability of the booklet and link to the Bureau's website, regarding tools and resources that consumers can use to make better-informed decisions about homeownership. The Bureau is currently developing a Spanish-language version of the Booklet and will publish a Notice of availability in the Federal Register when that Booklet is released. Pursuant to section 1026.19(g)(2), creditors may not make changes to, deletions from, or additions to the Booklet other than certain types of changes to the cover page.

Distribution and Use of the Updated Booklet

Under 12 U.S.C. 2604(a), lenders are required to provide the Booklet to each person from whom it receives an application for a mortgage loan and must deliver the Booklet or place it in the mail not later than 3 business days after the lender receives an application. As the Booklet has been redesigned to help consumers more effectively shop for a mortgage, all market participants are also encouraged to provide the Booklet to consumers at any other time, preferably as early in the home or mortgage shopping process as possible.

Those who provide the Booklet should be aware that this update includes information on the new Loan Estimate and Closing Disclosure required to be provided to consumers for applications for federally related mortgage loans that are received on or after August 1, 2015. Because previous versions of the Booklet do not reference or explain

the new integrated disclosures, the Bureau believes that providing consumers with the updated Booklet in conjunction with the integrated disclosures is important to facilitating consumers' understanding of the transaction.

Dated: March 12, 2015.

Richard Cordray,

Director,

Bureau of Consumer Financial Protection.

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